Visiber Sdn Bhd v Tan Meng Them & Ors

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO D5(IP)-22–1069 OF 2008
AZAHAR MOHAMED J
14 AUGUST 2009

Civil Procedure — Contempt of court — Breach of interim order — Order prohibitory in nature — Whether order enforceable through committal proceedings — Whether imperative for alleged contemnors to have notice of terms of order — Rules of the High Court 1980 O 45 r 7(6)

Civil Procedure — Contempt of court — Burden of proof — Interim prohibitory order, non-compliance with — Whether plaintiff obliged to prove beyond reasonable doubt that alleged contemnors knew each terms of order — Whether affidavit evidence sufficient

Evidence — Burden of proof — Standard of — Civil contempt of court — Non-compliance with interim prohibitory order — Whether plaintiff obliged to prove beyond reasonable doubt that alleged contemnors knew each terms of order — Whether affidavit evidence sufficient

The plaintiff applied to have the defendants committed to prison and/or fined for breaching an ad interim injunction granted by the High Court in the plaintiff's favor. The defendants argued that the plaintiff had failed to prove beyond reasonable doubt that they (the defendants) had sufficient knowledge of the terms of the order. The plaintiff however alleged that when the draft interim injunction order was sent to the defendant's solicitors, the defendants instructed the solicitors to delete para 7 of the order. This, alleged the plaintiff, showed that the defendants had full knowledge of the terms of the order to the extent that they could instruct their solicitors with regard to the terms of the order.

Held, dismissing the plaintiff's application with costs:

(1) The order in the instant case was prohibitory in nature as it restrained the defendants from carrying out certain acts. Pursuant to O 45 r 7(6) of the Rules of the High Court 1980 ('RHC'), the order was

enforceable through committal proceedings notwithstanding that the order had not been personally served upon the defendants. However, the order could only be enforced if the defendants had notice of the terms of the order (see para 11); *Class One Video Distributors Sdn Bhd & Anor v Chanan Singh a/l Sher Singh & Anor* [1997] 5 MLJ 209 followed.

(2) The plaintiff was obliged to prove beyond reasonable doubt that the defendants knew of each of the terms of the order. In the instant case, the defendants were alleged to have disobeyed an ad interim injunction and not a final order. The order in the instant case was a non-consent 4-page order involving alleged infringement of the plaintiff's copyright and registered industrial design and for passing off (see paras 12 & 15); *United Telephone Co v Dale* (1884) 25 Ch D 778 followed.

(3) The High Court could not tell from the statement filed by the plaintiff under O 52 r 2(2) of the RHC and its affidavit in reply whether the plaintiff had met the requisite standard of proof. The court could not also tell from a mere paragraph in the defendants' affidavit that they had knowledge of the terms of the order. It was doubtful whether the defendants knew precisely each of the terms of the order (see para 16).

(4) Where there is a doubt on the evidence, that doubt ought to be resolved in favour of the defendants. Thus in the instant case, the High Court having entertained a doubt whether the defendants actually had knowledge of each of the terms of the order, dismissed the plaintiff's application with costs (see paras 16–17); *Wee Choo Keong v MBF Holdings Bhd & Anor and another appeal* [1995] 3 MLJ 549 followed.

[Bahasa Malaysia summary

Plaintif memohon agar defendan-defendan dikomitkan ke penjara dan/atau didenda atas kemungkiran satu injunksi ad interim yang diberikan oleh Mahkamah Tinggi bagi pihak plaintif. Defendan-defendan berhujah bahawa plaintif gagal membuktikan melampaui keraguan munasabah bahawa mereka (defendan-defendan) mempunyai pengetahuan yang mencukupi akan terma-terma perintah tersebut. Walau bagaimanapun plaintif mendakwa bahawa apabila draf perintah injunksi interim dihantar kepada peguam cara-peguam cara defendan-defendan, mereka mengarahkan peguam cara-peguam cara mereka memotong perenggan 7 perintah tersebut. Ini, dakwa plaintif, menunjukkan bahawa defendan-defendan sedia maklum akan terma-terma perintah tersebut kerana mereka boleh mengarahkan peguam cara-peguam cara mereka berkenaan terma-terma perintah tersebut.

Diputuskan, menolak permohonan plaintif dengan kos:

(1) Perintah dalam kes ini adalah bersifat larangan kerana ia menghalang defendan-defendan daripada melaksanakan beberapa perkara. Berikutan A 45 k 7(6) Kaedah-Kaedah Mahkamah Tinggi 1980 ('KMT'), perintah tersebut boleh dilaksanakan menerusi prosiding komital walaupun perintah tersebut tidak diserahkan secara persendirian kepada defendan-defendan. Namun, perintah tersebut hanya boleh dilaksanakan jika defendan-defendan maklum akan terma-terma perintah itu (lihat perenggan 11); *Class One Video Distributors Sdn Bhd v Chanan Singh a/l Sher Singh* [1997] 5 MLJ 209 diikut.

(2) Plaintif berkewajipan untuk membuktikan melampaui keraguan yang munasabah bahawa defendan-defendan maklum akan setiap terma-terma perintah tersebut. Dalam kes ini, defendan-defendan dikatakan tidak mematuhi injunksi ad interim dan bukannya perintah yang muktamad. Perintah dalam kes ini adalah merupakan perintah tanpa persetujuan empat muka surat berkaitan pelanggaran hak cipta plaintif dan reka bentuk industri yang telah didaftarkan dan juga untuk kelirupaan (lihat perenggan 12 & 15); *United Telephone Co v Dale* (1884) 25 Ch D 778 diikut.

(3) Mahkamah Tinggi tidak boleh mengenalpasti menerusi penyataan yang difailkan oleh plaintif di bawah A 52 k 2(2) KMT dan afidavit balasannya sama ada plaintif telah memenuhi keperluan standard pembuktian. Mahkamah juga tidak boleh mengenalpasti hanya melalui satu perenggan dalam afidavit defendan-defendan bahawa mereka mempunyai pengetahuan akan terma-terma perintah tersebut. Adalah diragui sama ada defendan-defendan maklum dengan terperincinya akan terma-terma perintah tersebut (lihat perenggan 16).

(4) Apabila terdapat keraguan atas keterangan, keraguan tersebut haruslah diselesaikan berpihak kepada defendan-defendan. Maka, dalam kes ini, Mahkamah Tinggi yang telah menangani keraguan sama ada defendan-defendan sebenarnya mempunyai pengetahuan akan setiap terma-terma perintah tersebut, menolak permohonan plaintif dengan kos (lihat perenggan 16–17); *Wee Choo Keong v MBF Holdings Bhd & Anor and another appeal* [1995] 3 MLJ 549 diikut.]

Notes

For cases on breach of interim order, see 2(2) *Mallal's Digest* (4th Ed, 2007 Reissue) paras 1756–1758.

For cases on burden of proof, see 2(2) *Mallal's Digest* (4th Ed, 2007 Reissue) paras 1761–1762.

For cases on standard of burden of proof, see 7(2) *Mallal's Digest* (4th Ed, 2006 Reissue) paras 588–589.

Cases referred to

Class One Video Distributors Sdn Bhd & Anor v Chanan Singh a/l Sher Singh & Anor [1997] 5 MLJ 209, HC (folld)

United Telephone Co v Dale [1884] 25 Ch D 778 (folld)

Wee Choo Keong v MBF Holdings Bhd & Anor and another appeal [1995] 3 MLJ 549, SC (folld)

Legislation referred to

Rules of the High Court 1980 O 45 r 7(6), O 52 rr 2(2), 3

Loh Siew Cheang (Kelvin Seet and Carol Tiong with him) (Cheang & Ariff) for the plaintiff.

Teng Wei Ren (Shearn Delamore & Co) for the defendants.

Azahar Mohamed J:

[1] Enclosure 30 is the plaintiff's notice of motion under O 52 r 3 of the Rules of the High Court 1980 ('the RHC') for an order that the first defendant, third defendant and fourth defendant be committed to prison and the second defendant to be fined. The grounds for this application are that the contemptuous acts of the defendants constitute a breach of the ad interim injunction granted by this court on 15 September 2008 and created a substantial risk that the course of justice in the pending suit herein will have been seriously impeded or prejudiced.

[2] The plaintiff is a direct selling company which carries on the business of using the unique 'inverted triangle' formula to explain birth codes with self-created symbolic analysis and its element relations by reference, amongst others, to the co-relations or dynamics of numbers (the methodology). It is the plaintiff's case that the methodology was devised by the directors of the plaintiff. According to the plaintiff, in the course of its business, it has created various designs, marks and literary work which are protected by the laws of intellectual property in Malaysia.

[3] In the present action which was filed on 20 June 2008, the plaintiff sues the defendants for infringement of copyright, registered industrial designs and trademark and for passing off (the infringing acts). The plaintiff claims that the defendants have committed the infringing acts at various classes or seminars organised and conducted by them. For the purpose of the present notice of motion, it is not necessary for me to go into detail here.

[4] Nonetheless, in so far as they are relevant to the present motion, it is important to take notice of the following background facts. The plaintiff had on 30 June 2008, filed an ex parte injunction and obtained an order to

restrain the defendants from further carrying out the infringing acts. On 21 July 2008, this court adjourned the hearing of the plaintiff's application for injunction inter partes to 4 August 2008 for the reason that the first defendant, an undischarged bankrupt, had not obtained sanction from the Director General of Insolvency (the DGI) to defend in the present suit. This court then granted an ad interim injunction until 4 August 2008 on similar terms. Then on 4 August 2008, the first defendant informed this court that sanction from the DGI had been obtained on 1 August 2008. This court then directed the first defendant to re-file all the cause papers which were filed by his solicitors on his behalf prior to the sanction. In the circumstances, another ad interim injunction until 15 September 2008 was granted on terms similar to the ex parte injunction. On 15 September 2008, the hearing of the plaintiff's application for injunction inter partes was adjourned pending the exchange of affidavits. This court granted a further ad interim injunction until 17 October 2008 on terms similar to the ex parte injunction. This ad interim injunction ('the order') forms the main subject matter for the plaintiff's motion for committal.

[5] It is, at this point, worth mentioning that a contempt of court is an offence of a criminal character. Hence, in the context of encl 30, to constitute a contempt of court through disobedience of the order, the alleged act of contempt has to take place after the making of the order to the knowledge of all the defendants herein. With that in mind, how are the particulars of the knowledge presented by the plaintiff? The first step in answering this question is to refer to the plaintiff's statement pursuant to O 52 r 2(2) of the RHC 1980. Paragraph 7 of the statement, inter alia, says that the defendants carried out the contemptuous acts with full knowledge of the terms of the order and unrestricted access to legal advice. There are then the particulars of knowledge as follows:

(a) On 30 June 2008, the plaintiff obtained an ex parte injunction restraining the defendants from carrying out acts which will infringe the copyright, registered industrial designs and marks of the plaintiff and which would amount to passing off themselves as connected to the plaintiff.

(b) A sealed copy of the ex parte injunction together with all the cause papers concerning this suit as at 30 June 2008 were duly served on the defendants.

(c) On 21 July 2008, upon the expiry of the ex parte injunction dated 30 June 2008, this court granted and ad interim injunction until 4 August 2008, the terms of which were similar to the ex parte injunction. The defendants were represented by their solicitors in court. The order was approved by both parties and sealed by the court.

(d) On 4 August 2008, the applicant's application for injunction inter partes could not proceed. This court granted a further ad interim injunction until 15 September 2008 on terms similar to the ex parte injunction dated 30 June 2008. The defendants were represented by their solicitors in court.

(e) On the same day, plaintiff's solicitors sent the draft order to the defendants' solicitors for their approval. On 6 August 2008, the defendants' solicitors returned the draft order to plaintiff's solicitors with an amendment that prayer (7) be deleted.

(f) On 15 September 2008, again, the hearing of the application for injunction inter partes could not proceed. This court granted an ad interim injunction until 17 October 2008 on terms similar to the ex parte injunction dated 30 June 2008. The defendants were represented by their solicitors in court.

(g) On 23 September 2008, the plaintiff's solicitors sent the draft order dated 15 September 2008 to the defendants' solicitors for their approval. On 24 September 2008, the defendants' solicitors returned the draft order with an amendment that prayer (7) be deleted.

(h) On 25 September 2008, the plaintiff's solicitors wrote to the registrar of this court to fix an appointment to settle the terms of the draft order dated 15 September 2008, particularly prayer (7).

(i) The application for injunction inter partes was fixed for mention on 17 October 2008.

(j) On 17 October 2008, the application for injunction inter partes was fixed for further mention on 6 November 2008 because the learned judge was absent. The defendants' solicitors were present in court. By an agreement between the parties, the ad interim injunction dated 15 September 2008 (which expired on 17 October 2008) will continue until 6 November 2008.

[6] Learned counsel for the defendants has argued that based on the above mentioned particulars, the plaintiff has failed to prove beyond reasonable doubt that the defendants had sufficient knowledge of the terms of the order.

[7] Learned counsel for the plaintiff in responding to the contention of learned counsel for the defendants put emphasis on the fact that when the draft order of 15 September 2008 was sent to the defendants' solicitors on 23 September 2008 for their approval, the defendants instructed their solicitors

to delete para 7 of the said draft. He added that the act of the defendants' solicitors in deleting para 7 of the order emanated or originated from the instruction of the defendants. The instructions from the defendants to delete para 7 appears in the defendants' affidavit (affirmed by the first defendant for himself and on behalf of all the other defendants) dated 10 December 2008. Learned counsel after that brought to my attention para 8 of the affidavit which reads:

> I aver that on 23.9.2008, the Plaintiff's solicitors sent the draft order dated 15.9.2008 ('The Order') to my solicitors for their approval. Upon my instructions, on 24.9.2008 my solicitors returned the said draft order with and an amendment that paragraph 7 of the draft order be deleted.

[8] Hence, he concluded that in the circumstances it is patently clear that the defendants had full and personal knowledge of the order to the extent that they could issue instruction with respect to the terms of the order.

[9] Before turning to consider the arguments raised by both sides, I would like to say something concerning O 45 r 7(6) of the RHC which states:

> An order requiring a person to abstain from doing an act may be enforced under rule 5 notwithstanding that service of a copy of the order has not been effected in accordance with this rule if the Court is satisfied that, pending such service, the person against whom or against whose property it is sought to enforce the order has had notice thereof either:
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> (a) by being present when the order was made; or
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> (b) by being notified of the terms of the order, whether by telephone, telegram or otherwise.

[10] In relation to the above, the authority that I would like to cite is the case of *Class One Video Distributors Sdn Bhd & Anor v Chanan Singh a/l Sher Singh & Anor* [1997] 5 MLJ 209 where Haidar J (as he then was) said, and I respectfully agree with him, at p 214:

> The question is what is meant by the words 'service of a copy of the order has not been effected in accordance with this rule'. The words 'this rule' clearly mean r 7, and service effected in accordance with r 7 means in accordance with r 7(2)(a) and (4), ie service of a copy of the order with the penal notice indorsed on it. It therefore follows that if a copy of the order has not been served personally, eg by registered post, or if it has been served personally but the copy served does not contain the penal notice, then the service of the copy of the order has not been

effected 'in accordance with this rule', ie r 7. In such a case, the court has a discretion under r 7(6) to enforce the order if the following condition is satisfied, namely, the person against whom the order sought to be enforced has had notice thereof either:

(a) by being present when the order was made, or

(b) by being notified of the terms of the order, whether by telephone, telegram or otherwise.

[11] It is equally important to note that the order in this matter is prohibitory in nature in that it restrained the defendants from carrying out the infringing acts. In my view, pursuant to O 45 r 7(6) of the RHC, the order may be enforced by way of committal notwithstanding that it has not been served personally on all the defendants. Nevertheless, there is this very important qualification to be made. The order can only be enforced if all the defendants have had notice thereof by being notified of each of the terms of the order. This must be emphasised.

[12] What then is the standard of proof which is required or expected from the plaintiff to establish that the defendants knew of each of the terms of the order? In my judgment, the law as it stands now requires the plaintiff to prove beyond reasonable doubt that the defendants knew of each of the terms of the order. In this regard, Pearson J in the case of *United Telephone Co v Dale* (1884) 25 Ch D 778 had this to say at p 786:

> But I don't believe the rule to be, and I shall not act upon the rule as it has been stated to me, that in no case will the court enforce obedience to its injunction by means of a committal to prison, simply upon the ground that the order has not been served, when it appears beyond all doubt or dispute that the defendant is aware that the injunction has been granted.

[13] Further down, His Lordship added at p 787:

> What's the necessity for servicing an order upon a defendant if he knows perfecting well without that service what it is which he's bound to obey?

[14] Thus going by this principle, the question arises in the present case: has it been proved beyond all doubt or dispute that all the defendants herein knew perfectly well what it was which they were bound to obey?

[15] In addressing this question, two important facts require to be kept in mind. In the first place, the order which the defendants were alleged to have

failed to comply with was, as stated earlier, an ad interim injunction; final order has yet to be given. Secondly, unlike in *United Telephone Co v Dale* and *Class One Video Distributors Sdn Bhd & Anor v Chanan Singh a/l Sher Singh & Anor*, which concern a consent order, the order in the present case is a four-page order involving alleged infringement of the plaintiff's copyright and registered industrial design and also for passing off.

[16] Now, learned counsel for the plaintiff has brought to my attention to encl 29A, the statement pursuant to O 52 r 2(2) of the RHC and encl 37, the plaintiff's affidavit in reply to support his argument that the defendants had knowledge of each of the terms of the order. However, I cannot see from the statement and the affidavit that the plaintiff has met the standard of proof which I have mentioned a moment ago. As I have already noted, a great of emphasis is placed by the plaintiff's learned counsel on para 8 of the defendants' affidavit to support the contention that the defendants had full and personal knowledge of the order to the extent that they could issue instruction with respect to the terms of the order. Still, we do not know the detail of the instruction. I am unable to conclude that based no more than on the said paragraph, the defendants had notice of each of the terms of the order. Whilst I can accept that the defendants may have a general notice of the order, I am not altogether clear, to borrow the words of Pearson J in *United Telephone Co*, that the defendants knew perfectly well each of the terms of the order which they were bound to obey. In other words, there is a lurking doubt in my mind whether the defendants knew precisely each of the terms of the order. It is settled law that in order to sustain a conviction in contempt proceedings, the standard of proof required is one beyond reasonable doubt. The point to make here is this: where there is a doubt on the evidence that doubt ought to be resolved in favour of the defendants. In *Wee Choo Keong v MBF Holdings Bhd & Anor and another appeal* [1995] 3 MLJ 549, Wan Adnan FCJ (as he then was) at p 574 said:

> I would like to respond to two legal points raised in arguments by learned counsel for the second appellant (the third defendant). But first, I like to say something on the standard of proof that is required to prove a charge in contempt of court proceedings. It is already well established that in contempt of court proceedings, proof must be proof beyond reasonable doubt, and that where there is a doubt the doubt ought to be resolved in favour of the person charged. In other words, the proof must be of the standard as is required in a criminal case.
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> In *Allgarh Municipal Board & Ors v Ekka Tonga Mazdoor Union & Ors* AIR 1970 SC 1707, it was held:
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> > In order to bring home a charge of contempt of court for disobeying orders of courts those who assert that the alleged contemnors had knowledge of the order must prove the fact beyond reasonable doubt … In case of doubt, however, the benefit ought to go to the person charged.

[17] In the present case, I entertained a doubt whether the defendants in actual fact had knowledge of each of the terms of the order. That is why, the plaintiff's motion for committal under O 52 r 3 of the RHC is dismissed with costs.

Plaintiff's application dismissed with costs.

Reported by Andrew Christopher Simon